REMARKS

Claims 16-62 are now pending in the present application. Claims 16-19, 22-24, 26, 28, 30-34, 37, 39, 41, 43, 45-46, 49-50, and 53-54 are amended, and claims 1-15 are cancelled without prejudice or disclaimer.

Claims 1-62 were pending in the application. In the present Office Action, claims 1-62 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Stewart, U.S. Patent Application Ser. No. 09/799,375 ("Stewart"), in view of Peterson et al., U.S. Patent No. 5,903,873 ("Peterson"). Reconsideration of the previously rejected claims and favorable action is requested in light of the above amendments and the following remarks.

I. CLAIMS 16-62 DEFINE PATENTABLE SUBJECT MATTER PURSUANT TO 35 U.S.C. § 103

The Office Action rejects claims 16-62 under 35 U.S.C. § 103 as unpatentable over Stewart in view of Peterson. These rejections are respectfully traversed. In short, neither Stewart nor Peterson, either singly in combination, teach the features of claims 16-62. Further, Applicant respectfully submits that Examiner has failed to meet the burden of showing why and how one would combine Stewart with Peterson.

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Finally, there must be a reasonable expectation of success. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. MPEP 2143 (citing *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991)). Applicant respectfully submits that none of these

criteria are satisfied.

A. Stewart and Peterson fail to teach all of the features of the present invention

1. Stewart teachings are limited to its text

Stewart is incomplete and teaches less than suggested by the Examiner. Four drawings were omitted and one drawing was renumbered from the original provisional application when Stewart was filed. In addition, the specification was amended so that references to Figure 1 refer to the original Figure 1 in some parts of the application and to the renumbered Figure 1 in other parts. Thus, Figure 1 of Stewart is in conflict with the text of its specification. As a result, the omitted drawings of Stewart cannot be considered as available until Stewart's publication date, which is after the filing date of the present application, and Figure 1 of Stewart cannot be understood by one of ordinary skill in the art. Applicant respectfully submits that Stewart's teachings should be limited to its text.

Stewart claims priority to U.S. Provisional Patent Application No. 60/187,281 ("Stewart Provisional"), which was filed on March 6, 2000. Applicant concedes that the Stewart Provisional provides support for Stewart, and hence the priority date of Stewart is March 6, 2000. The Stewart Provisional includes five figures, numbered 1 through 5 ("Provisional Figures 1 – 5"). The printed version of Provisional Figure 3 was labeled "Figure 1," but that label was crossed out and the label "Figure 3" was handwritten on the drawing. When Stewart was filed, only Provisional Figure 3 was submitted, without the handwritten annotation, meaning that the drawing had the printed label "Figure 1." Although Stewart claims priority to the Stewart Provisional, it does not incorporate the Stewart Provisional by reference.[1] Stewart was

[1] Applicant respectfully submits that because Stewart was abandoned without amendment, the benefit claim to the Stewart Provisional cannot serve as an incorporation by reference under 37

published, as filed, on December 6, 2001.

Only the disclosure contained in Stewart as published is entitled to the March 6, 2000 priority date. That is, the omitted figures and all they disclose were not carried forward into Stewart. *See In re Lund*, 376 F.2d 982, 988-89 (C.C.P.A. 1967) (holding that without an express incorporation by reference Example 2 of the abandoned application did not carry forward into the continuation-in-part that did not otherwise disclose Example 2). The date of those drawings is the date they became available to the public, which is the publication date of Stewart, i.e., December 6, 2001, which is after the filing date of the present application. *See* MPEP 2127 I. Thus the Examiner may only rely on Stewart as published (because Stewart was never amended) and may not rely either explicitly or implicitly on the disclosures in Provisional Figures 1, 2, 4, or 5.

Further, the published Figure 1 of Stewart conflicts with its description in the text. First, the Figure 1 referred to in paragraph 6 (and the published drawing) is not the same Figure 1 described in paragraphs 31 and 36-39. Paragraph 6 states that Figure 1 shows "a simplified flow diagram representative of a typical metals industry supply chain." In contrast, Paragraph 31 describes Figure 1 as "a schematic overview of a buyer registration process." Further still, Figure 1 (actually Provisional Figure 3) is labeled "MetalSite Product Guide User Flow Diagram – Buyers" and contains no information about the buyer registration process. Applicant respectfully submits that a "typical metals industry supply chain" is distinct from a "buyer registration process." Moreover, the label of the figure is confusing, because the "MetalSite Product" is mentioned nowhere in the text of the specification. Thus, a person of ordinary skill

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C.F.R. § 1.57(a). *See* 37 C.F.R. § 1.57(a)(1) ("The application must be amended to include the inadvertently omitted portion of the specification or drawing(s) . . . in no case later than the close of prosecution . . . or abandonment, whichever occurs earlier.")

in the art cannot possibly understand the teachings of Figure 1 of Stewart, and it should not be considered by the Examiner. In the alternative, Applicant respectfully submits that the Examiner bears the burden of explaining why Figure 1 would be understood by a person of ordinary skill in the art.

2. The combination of Stewart and Peterson fails to recite the features of claims 16-62

There are a number of features that are not taught or suggested by Stewart or Peterson. For example, all of the pending claims of the present application include the feature of a networked entity through which a networked consumer must be registered in order to access the administrative server. Claim 16 recites, in part:

> providing a *networked entity* registration system in the administrative server wherein the *networked entity* can be authenticated and a unique identifier is assigned to the networked entity (NEID), whereby the *networked entity* is designated a registered *networked entity*;

(emphasis added). Applicant respectfully submits that Stewart does not disclose or suggest a networked entity as recited in claim 16.

First, Stewart discloses only two types of entities that use its online marketplace: buyers and sellers. For example, claim 1 of Stewart recites:

> 1. A networked community market system providing real-time transactions between a plurality of *identified community members* over a communications network, said community market system comprising:
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> a controller for communicating with each of said plurality of identified community members over the communications network;
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> means for identifying each of said community members according to a predetermined profile selection criteria, *said community members including seller members and buyer members*;

> at least one seller computer operatively connected with said controller, said seller computer being programmed to provide seller business information from at least one of said seller members and accessible by at least one of said buyer members;
>
> at least one buyer computer operatively connected with said controller, said buyer computer being programmed to access seller business information from at least one of said seller members according to predetermined buyer profile information;
>
> means for displaying selected seller business information to said buyer members according to said predetermined buyer profile information; and
>
> acceptance means operatively connected with said at least one seller computer for accepting an order from one of said buyer members to purchase a product from one of said seller members.

(emphasis added); *see also* Stewart ¶ 20 ("[A]n interactive on-line steel marketplace is provided for *buyers and sellers* within the steel industry." (emphasis added)); Stewart ¶ 24 ("The community members are categorized into one of *seller* members and *buyer* members . . ." (emphasis added)). In Stewart, there are exactly two types of entities: buyers and sellers.

In contrast, claim 16 of the present invention recites three distinct types of entities: group benefits providers (i.e., sellers of group benefits plans), networked consumers (i.e., individual purchasers of the group benefits plans), and networked entities (i.e., the collective negotiator of group benefits plans). Claim 16 recites, in part,

> allowing the registered *networked entity* to selectively access the details of the group benefits plans *provided by a registered group benefits provider* and *to endorse the group benefits plans* . . .; and
>
> providing a *networked consumer* registration system . . . whereby said registered *consumer* can access the endorsed group benefits plans associated with said RCID and *make selections on the endorsed group benefits plans.*

(emphasis added). That is, the group benefits provider *provides* the group benefits plan, the networked entity *endorses* the group benefits plan, and the networked consumer *makes selections* on the group benefits plan that has been endorsed by the networked entity. Applicant

respectfully submits that Stewart does not teach a networked entity at all, nor a networked entity endorsing a group benefits plan.

The text cited by Examiner is inapposite. Specifically, the Office Action cites paragraphs 26, 27, and 38 of Stewart as teaching "a method of allowing the registered networked entity to selectively access the details of the group benefits plans provided by a registered business entity and to endorse the group benefits plans." Office Action ¶ 3. The cited paragraphs have nothing to do with group benefits plans or networked entities:

> [0026] Functionality of the electronic commerce site of the present invention provides an auction mechanism where buyers can bid and sellers award purchases according to an auction mechanism. A purchasing card module to the present invention allows for visual confirmation of credit availability of a particular buyer member. For catalog purchases as well the purchasing card program allows for a determination of a buyers members available credit before an order can be placed by that buyer. By way of example, the buyer member has placed a bid on a product and is to be awarded the purchase, the seller member has the ability to check the buyer member credit availability prior to the final award. Should the buyer member have sufficient credit available in their account, a charge to their virtual credit card will occur only after the seller member has awarded the sale to that buyer member. In a situation where the buyer member does not have sufficient credit, the seller member has the option of either awarding the bid to another buyer member or award the sale. It is then the responsibility of that seller member to receive payment from the buyer member separate and apart from the purchasing card program. In a case of catalog buying for example, the buyers credit worthiness is not investigated until the buyer places an order. Additionally, a final order cannot be placed until it is determined that the buyer members credit can cover that particular purchase.
>
> [0027] Preferably the buyers final settlement with the seller member is contingent upon three events occurring: the date of shipment of the product, date of goods received by the buyer member and the date of buyer member acceptance of those goods. Preferably the buyers [sic] is notified when the goods are shipped. When the buyer member accepts the goods, one of two alternatives can occur based upon the choice made by the participating seller member. Seller members can be giving the option of receiving advanced funds or being paid once the buyer payment has been received by the credit issuer. In either case the seller member is still guaranteed payment. However, in the second alternative, the seller may not receive payment for 90 or 120 days.

. . . .

> [0038] As part of the buyer registration process, a buyer also has the opportunity to apply for and be approved by sellers for an automatic bill payment process. This can take one of two forms: a virtual credit card or automatic electronic bill payment. In the virtual credit card program, the buyers have the opportunity to complete a credit application wherein the buyer completes the profile identifying that buyer and also selects those sellers to which the credit qualifications and information is to be sent. Typically, the sellers are those from which the buyer has previously purchased steel. After the credit application is submitted by the buyer, the website controller reviews the application to determine that it is complete. The applications are then sent on to the identified sellers which will either accept or decline the buyers credit application. Preferable [sic] this credit information is saved on the website's controller server computer so that when additional sellers are added to the buyer's profile, the existing credit application can be reviewed by those new sellers without the buyer having to reenter the information, except for those key items of information that may have changed since the time of the buyer registration process.

Stewart ¶¶ 26, 27, 38. The cited paragraphs teach an "auction mechanism" and a buyer paying for an item on credit. Applicant respectfully submits that a disclosure of buying an auctioned item on credit does not teach or suggest the feature of allowing a networked entity to endorse a group benefits plan provided by a group benefits provider. Thus, Stewart does not teach or suggest a networked entity.

Further, Stewart does not teach using two separate accessibility requirements. Claim 16 further recites:

> providing a *networked entity registration system* in the administrative server wherein the *networked entity* can be *authenticated* and a unique identifier is assigned to the networked entity (NEID), whereby the networked entity is designated a registered networked entity;
>
> . . .
>
> providing a networked consumer registration system in the administrative server whereby a *networked consumer who has authorized access to a registered networked entity's computer system* can be designated a registered consumer and assigned a unique registered consumer identifier (RCID), and *whereby said registered consumer can access* the endorsed group benefits plans

> associated with said RCID and make selections on the endorsed group benefits plans.

(emphasis added). The above language recites at least three distinct features: (1) the networked entity must have a computer system; (2) the networked entity must be registered with the administrative server; and (3) the networked consumer must have authorized access to the networked entity's computer system in order to register with the administrative server. None of these three features are disclosed or suggested by Stewart.

The Examiner described Stewart in the Office Action dated July 28, 2004 as follows:

> Stewart teach among other thing an inventive concept wherein during a member registration process parameters are set in order to determine which type member they will be, either a buyer or seller. In some instances, a buyer may also be qualified as a seller to other buyers of certain products. Furthermore, Stwart [sic] teach means for identifying each of the community members according to predetermined profile selection criteria, the community members including at least seller members and buyer members. At least one seller computer communicates with the controller and is programmed to provide seller business information from such seller members and is accessible by at least one of the buyer members. Also means are provided for displaying the selected seller business information to the buyer members according to the identification means. The seller business information includes at least product information, manufacturing lead time and transportation information, wherein a catalog of seller products are available for review by the buyer members. Therefore the prior art teach a network entity determining who can be a registered consumer according to the profile registered in the system.

Nowhere in the Examiner's characterization are there two separate accessibility requirements as recited in claim 16. Further, Stewart never suggests that "profile selection criteria" might include the ability to access the computer system of a separate entity. Rather, Stewart discloses that:

> In a similar manner [to buyers], a seller is registered to sell products through the electronic commerce system of the present

> invention, as shown in [Provisional] FIG. 2.[2] The seller provides the necessary *profile information*, such as indicating the type of steel product that it will sell (e.g., flat rolled, sheet, and coils) as well as from which particular manufacturing location from its products will be shipped. Also, the *seller must agree to the terms and conditions* established by the operator of the electronic commerce system in order to be qualified to act as a seller through the website. Upon qualification of a new seller, information about those sellers is preferably automatically transmitted to all the approved buyers within the site.

Stewart, ¶ 40 (emphasis added). Although the text is unclear, Provisional Figure 2 shows that the seller manually completes a "card profile" which is sent (after review) to a card issuer for approval or denial and agrees to "terms and conditions." Nothing in the approval process is contingent on a seller's authorized access to a networked entity's computer network. All that Stewart requires for registration of an individual seller is profile information and an agreement to terms and conditions. Similarly, all that Stewart requires for registration of a buyer is profile information and a credit check. See Stewart, ¶¶ 38-39, Provisional Figure 1. Further, there is no analogue of a "networked entity" that appears in either Provisional Figure 1 or 2, or in the text descriptions of those figures.

In contrast, claim 16 *requires* that a networked consumer have authorized access to a registered networked entity's computer system in order to register with the administrative server. As Applicant has explained in previous correspondence, this additional requirement provides several unique benefits. For example, a networked entity (e.g., an employer) can provide a group benefits plan to a set of individual networked consumers (e.g., employees) without violating the privacy of those individuals, because the networked entity does not access the details of individual networked consumer plans. Further, the group benefits provider can ensure that only

[2] As explained above, Provisional Figure 2 was omitted from the published version of Stewart.

the networked consumers belonging to the networked entity are allowed to select benefits, because the additional access requirement of having authorized access to the networked entity's computer system properly identifies such networked consumers. Stewart does not teach or disclose the feature of "providing a networked consumer registration system in the administrative server whereby a networked consumer who has authorized access to a registered networked entity's computer system can be designated a registered consumer and assigned a unique registered consumer identifier (RCID), and whereby said registered consumer can access the endorsed group benefits plans associated with said RCID and make selections on the endorsed group benefits plans," nor does Stewart provide the advantages of such a system. Therefore, claim 16 is distinguishable over Stewart.

Further, Peterson does not remedy the deficiencies of Stewart with respect claim 16. The Office Action characterizes Peterson as "facilitating transaction between an insurance business and an insurance customer." Assuming, without conceding, that this characterization is accurate, Peterson does not disclose the feature of a networked entity or a requirement that an insurance customer have authorized access to the computer system of that networked entity. Peterson teaches uploading transactions from a portable computer to a home office computer, where the single computer belongs to the same entity (i.e., insurance company) as the home office computer. In particular, Peterson teaches a "system for registering insurance agent transactions into a portable computer in the field and for communicating the insurance agent transactions to a home office." Peterson, col. 1, ll. 55-57. Peterson addresses the situation where "insurance agents in certain parts of the United States occasionally visit their customers, at home or at work, and transact insurance business at such remote locations from the insurance agent's office." Peterson, col. 1, ll. 10-13. Thus, Peterson teaches insurance customers completing transactions

in person through an insurance agent, followed by the agent uploading those transactions from a portable computer to a home office computer.

In contrast, claim 16 recites a networked consumer selecting plan details on an administrative server, where the networked consumer must have authorized access to a networked entity's computer system. Applicant respectfully submits that Peterson does not teach the feature of "providing a networked consumer registration system in the administrative server whereby a networked consumer who has authorized access to a registered networked entity's computer system can be designated a registered consumer and assigned a unique registered consumer identifier (RCID), and whereby said registered consumer can access the endorsed group benefits plans associated with said RCID and make selections on the endorsed group benefits plans." Thus, claim 16 is distinguishable over Peterson.

Because neither Stewart nor Peterson teach or suggest these features or the feature of a "networked entity" in particular, the combination of Stewart and Peterson does not teach or suggest these features. Therefore, claim 16 is distinguishable over the combination of Stewart and Peterson. Dependent claims 17-30 are distinguishable over Stewart in view of Peterson for the reasons described above for claim 16 and the additional features they disclose.

Independent claims 31, 46, and 54 disclose similar features to those described above for claim 16, and are thus distinguishable over Stewart in view of Peterson for at least the same reasons as claim 16. Dependent claims 32-45, 47-53, and 55-62 are therefore distinguishable over Stewart in view of Peterson. Thus, claims 16-62 are distinguishable over Stewart in view of Peterson.

B. There is no motivation to combine Stewart and Peterson

"There are three possible sources for a motivation to combine references: the nature of

the problem to be solved, the teachings of the prior art, and the knowledge of the persons of ordinary skill in the art." *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998). Applicant respectfully submits that the Examiner relies on none of these. Moreover, "the examiner must show reasons why the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed." *Id.* In this case, Examiner has merely presented conclusory statements that Stewart and Peterson could be combined, without even an attempt to offer reasons why one of ordinary skill in the art would select Stewart and Peterson in order to address the same problems as the present invention.

Examiner has suggested a motivation for combining Stewart and Peterson in the Office Action of March 4, 2005 (and again in the Office Action of October 25, 2005)[3], where it was asserted that

> it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the inventive concept of Stewart et al's to include Peterson's concept of facilitating transaction between an insurance business and an insurance customer because this would provide a *central data storage element*, for processing customer transaction information to provide updated insurance information pertaining to a particular insurance product.

(emphasis added). Applicant respectfully submits that this suggested motivation is insufficient for at least three reasons: 1) adding a central data storage element to Stewart is not desirable because Stewart already has a central data storage element; 2) the Examiner fails to explain why it would be desirable, *based on the prior art*, to add "updated insurance information pertaining to

[3] The Examiner stated in the Office Action dated October 20, 2006, that "it is obvious that the inventive concept of Stewart and Petterson[sic] are in the same electronic commerce environment." This is no more than a conclusory statement. "Conclusory statements of similarity or motivation, without any articulated rationale or evidentiary support, do not constitute sufficient factual findings." MPEP 2144.08 III.

a particular insurance product" to Stewart's online steel products marketplace; and 3) the Examiner uses impermissible hindsight to pick and choose features from the applied references in an attempt to arrive at the present invention.

"The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination." MPEP 2143.01 III (citing *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 2000)). Thus, there must be some suggestion of the desirability of adding a "central data storage element" to Stewart, "for processing customer transaction information to provide updated insurance information pertaining to a particular insurance product." However, Stewart does not lack a "central data storage element," because it teaches "one or more servers which stores [sic] the information articles database and the individual community members identification information, or member profiles." Stewart, ¶ 25. A "database" is a "central data storage element." Therefore, there would be no reason to combine Peterson with Stewart in order to provide a "central data storage element" to Stewart, because Stewart already has a "central data storage element," namely a database.

Further, Applicant respectfully submits that there is no suggestion of desirability, either explicit or implicit, of providing "updated insurance information pertaining to a particular insurance product" to an "interactive on-line steel marketplace . . . for buyers and sellers within the *steel* industry," *see* Stewart, ¶ 20 (emphasis added), because Stewart and Peterson solve completely different problems in completely different subject matters. "Within the steel industry, for both producers and reprocessors, the steel product marketplace presents *unique characteristics*." Stewart, ¶ 88 (emphasis added). The metals industry involves a complex chain of commerce, including raw materials producers, mills for producing metal products, four levels

of intermediary processors, and end buyers. Stewart, ¶¶ 6-9. In contrast, the insurance industry has insurance providers and consumers, with no complicated intermediate structure.

Moreover, combining Stewart and Peterson would "require a substantial reconstruction and redesign of the elements shown in" Stewart, and would also change the basic principle under which Stewart was "designed to operate," which is impermissible under § 103. *See In re Ratti*, 270 F.2d 810, 813 (C.C.P.A. 1959). As explained above, Stewart provides an online marketplace for an industry with a complicated, multi-level stream of commerce. In contrast, Peterson "relates to a system for registering insurance transactions and communicating the insurance transactions to the home office computer of an insurance company." (col. 1, ll. 7-10). Modifying Stewart to adopt Peterson's teaching of "facilitating transaction between an insurance business and an insurance customer" would completely change the nature of the online marketplace of Stewart. Stewart states that "[t]he purchase and sale of products within the metals industry, and particularly within the steel industry, involves numerous levels of buyers and sellers directly interacting in order for buyers to be able to purchase the particular type of steel product that is required." Stewart, ¶ 5. Stewart is tailored to the needs of the metals industry. In contrast, Peterson is tailored to the needs of that portion of the insurance industry where policies are sold by local insurance agents, and is intended to avoid the errors that occur in transcribing transactions manually. *See* Peterson, col. 1, ll. 17-24. Neither Stewart nor Peterson contains a suggestion that an online marketplace like that disclosed in Stewart would be desirable for the insurance industry. Stewart does not mention insurance at all, and Peterson does not suggest the possibility of customers transacting insurance business online, or in particular the possibility of customers shopping for insurance products in any sort of marketplace. Further, the Examiner has failed to explain why the insurance industry would benefit from Stewart's online

marketplace beyond a mere assertion of desirability.

Thus, the only possible suggestion for combining Stewart with Peterson comes from the present application, and such a suggestion is an impermissible use of hindsight. MPEP 2143.

C. There is no reasonable expectation of success of the combination of Stewart and Peterson

As explained above, Stewart describes a complex 4-level supply chain, with buyers at one level being sellers at another. In order to address this problem, Stewart discloses an online marketplace designed for the steel industry to allow those buyers and sellers to find each other easily. Also as explained above, Peterson describes a system of remote computers synchronizing data for insurance transactions with a home computer. Applicant respectfully submits that it is unreasonable to believe that the two systems could be combined with any reasonable probability of success. Neither Stewart, Peterson, nor ordinary skill in the art suggests how one might go about combining an interactive website marketplace in one industry with a remote synchronization system in a completely different industry. There are no similarities between the two systems beyond their general use of networked computers in commerce. Applicant respectfully submits that the burden is on Examiner to give some explanation of why it would be reasonable to expect that combining an interactive steel marketplace with a system for uploading insurance transactions from insurance agents' computers would succeed, but Examiner has yet to provide such an explanation. Because Examiner has not met that burden, there is no reasonable expectation of success in combining Stewart with Peterson.

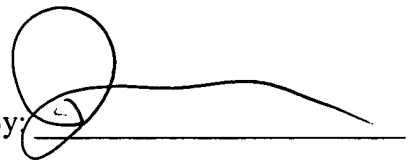
For the foregoing reasons, Applicant respectfully requests that the rejections of claims 16-62 be withdrawn.

II. CONCLUSION

In view of the foregoing, Applicant respectfully submits that this application is now condition for allowance. Favorable reconsideration and prompt allowance are earnestly solicited. Should the Examiner believe that anything further is necessary to expedite prosecution of this application, the Examiner is invited to contact Applicant's representative at the telephone number listed below.

Respectfully submitted,

Dated: January 22, 2007

By: 

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